

## **EXHIBIT “A”**

**WELTMAN, WEINBERG & REIS Co., LPA**

ATTORNEYS AT LAW

*80 Years of Service.*

Brooklyn Hts 216 739 5100  
Chicago 312 782 9676  
Cincinnati 513 723 2200  
Cleveland 216 685 1000  
Columbus 614 228 7272

325 Chestnut Street, Suite 501  
Philadelphia, PA 19106  
215 599 1500 phone | 215 599 1505 fax  
weltman.com

Detroit 248 362 6100  
Ft. Lauderdale 954 740 5200  
Grove City 614 801 2600  
Philadelphia 215 599 1500  
Pittsburgh 412 434 7955

January 30, 2012

Office of the Prothonotary  
Bucks County Courthouse  
55 East Court Street  
Doylestown, PA 18901

RE: DISCOVER BANK v. DIANA MELINICH  
No.: 2011-10543  
Our File No.: 09405279

Dear Sir or Madam:

This office represents Plaintiff in above-captioned matter. Please find enclosed the original of the following document, which we would like to file on behalf of our client:

1. Plaintiff's Amended Complaint in Civil Action.

Upon filing of the aforementioned, kindly return a time-stamped copy to our office. For your convenience, a self-addressed, postage paid envelope has been provided with this correspondence.

If you have any questions, please do not hesitate to contact me at the above number listed. Thank you in advance for your cooperation.

Very truly yours,

*/s/Benjamin W. Lawrence*

Benjamin W. Lawrence, Esq.

BWL/hyw  
Enclosures  
cc.

Stuart Eisenberg, Esq.  
McCullough | Eisenberg, L.L.C.  
65 West Street Road, Suite A-105  
Warminster, PA 18974

1441.C

IN THE COURT OF COMMON PLEAS OF BUCKS COUNTY, PENNSYLVANIA  
CIVIL DIVISION

DISCOVER BANK, through its Servicing Agent  
DB SERVICING CORPORATION

Plaintiff

No. 2011-10543

vs.

DIANA M ELINICH

Defendant

AMENDED COMPLAINT IN CIVIL ACTION

FILED ON BEHALF OF  
DISCOVER BANK

COUNSEL OF RECORD OF THIS PARTY:  
Benjamin W. Lawrence, Esq.  
PA ID# 209032  
WELTMAN, WEINBERG & REIS CO., L.P.A.  
325 Chestnut Street, Suite 501  
Philadelphia, PA 19106  
215-599-1500

WWR# 09405279

IN THE COURT OF COMMON PLEAS BUCKS COUNTY, PENNSYLVANIA  
CIVIL DIVISION

DISCOVER BANK, through its Servicing Agent  
DB SERVICING CORPORATION

Plaintiff(s)

No. 2011-10543

vs.

AMENDED COMPLAINT IN CIVIL ACTION

DIANA M ELINICH

Defendant(s)

**NOTICE TO DEFEND**

**NOTICE**

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you.

You should take this paper to your lawyer at once. If you do not have a lawyer or cannot afford one, go to or telephone the office set forth below to find out where you can get legal help.

**AVISO**

Le han demandado a usted en la corte. Si usted quiere defenderse de estas demandas expuestas en las paginas siguientes, usted tiene veinte (20) dias de plazo al partir de la fecha de la demanda y la notificacion. Hace falta asentar una comparencia escrita o en persona o con un abogado y entregar a la corte en forma escrita sus defensas o sus objeciones a las demandas en contra de su persona. Sea avisado que si usted no se defiende, la corte tomara medidas y puede continuar la demanda en contra suya sin previo aviso o notificacion. Ademias, la corte puede decidir a favor del demandante y requiere que usted cumpla con todas las provisiones de esta demanda. Usted puede perder dinero o sus propiedades u otros derechos importantes para usted.

Lleve esta demanda a un abogado inmediatamente. Si no tiene abogado o si no tiene el dinero suficiente de pagar tal servicio. Vaya en persona o llame por telefono a la oficina cuya direccion se encuentra escrita abajo para averiguar donde se puede conseguir asistencia legal.

BUCKS COUNTY BAR ASSOCIATION  
135 E STATE ST  
DOYLESTOWN, PA 18901  
TEL: (215) 348-9413/(800) 479-8585  
WWW.BUCKSBAR.ORG

PA BAR ASSOCIATION: WWW.PABAR.ORG

AMENDED COMPLAINT IN CIVIL ACTION

1. Plaintiff, Discover Bank, is a corporation with offices at 12 Reads Way, New Castle, DE 19720.

2. Defendant Diana M. Elinich is an adult individual residing at 6615 Groveland Road, Pipersville, PA 18947.

3. DB Servicing Corporation is the servicing affiliate for Discover Bank, f/k/a Greenwood Trust Company, an FDIC-insured Delaware State bank. As the servicing affiliate, DB Servicing Corporation performs a variety of services for Discover Bank including, among other things, the collection of delinquent accounts. The collection of delinquent accounts includes the right to forward the account to the attorneys and/or collection agencies for collection and to file suit on Discover Bank's behalf.

4. At all times pertinent hereto, DB Servicing Corporation is the servicing affiliate for Discover Bank, in reference to Defendant's account, which is the subject of this litigation.

5. Foreign business corporations must procure a certificate of authority from the Department of State before *doing business* in this Commonwealth. 15 Pa.C.S.A. § 4121(a).

6. A foreign company engaged in debt acquisition and collection activities in Pennsylvania is *not doing business* within the meaning of the registration statute.

7. Plaintiff is attempting to collect a debt from the Defendant and the filing of the instant action falls within the categories of activities not considered as doing business in this Commonwealth, pursuant to 15 Pa.C.S.A. § 4122.

COUNT I – BREACH OF CONTRACT

8. The averments contained in Paragraph 1-7 are incorporated herein by reference thereto as though herein set forth at length.

9. On or about November 22, 1999, Plaintiff, in response to an application for card membership, mailed a Discover credit card, bearing account number 6011 0029 0026 9358 along with a written Cardmember Agreement, which contained the terms and conditions of said credit card to Defendant. An exemplar copy of the written Cardmember Agreement containing the terms and conditions governing said account at the time of default (hereinafter referred to as the "Agreement") is attached hereto, marked as Exhibit "A", and made a part hereof.

10. Defendant subsequently accepted the terms and conditions contained in the Agreement by using the credit card account for various purchases and/or transactions.

11. Defendant continued to use the credit card to make purchases and/or transactions.

12. Each month, pursuant to the terms and conditions of the Agreement, Plaintiff sent Defendant a monthly statement setting forth the charges and payments made, if any, by the Defendant and the applicable interest rate. A true and correct copy of the Statement of Account is attached hereto, marked as Exhibit "B", and made part hereof.

13. Pursuant to the Agreement, Defendant was required to pay the total balance due or in the alternative the minimum monthly payment as stated in the monthly statements sent to Defendant.

14. Defendant made periodic payments on the account with the last payment made on the aforementioned account occurring on or about March 13, 2011.

15. Defendant breached the terms and conditions of the Agreement between the parties by failing to pay the balance due or make the required monthly payment.

16. The balance due and owing to Plaintiff on the aforementioned credit card account as of August 31, 2011 is \$17,284.79.

17. Pursuant to the Agreement, Plaintiff is entitled to continuing finance charges on any unpaid balances as described in said Agreement, and set forth on the Defendant's monthly statement.

18. Although repeatedly requested to do so by Plaintiff, Defendant has breached the terms of the Agreement by willfully failing and/or refusing to pay the principal balance, finance charges or any part thereof to Plaintiff.

19. Plaintiff avers that the Agreement between the parties provides that Defendant will pay Plaintiff's attorneys' fees (See Exhibit "A").

20. Plaintiff avers that such attorneys' fees will amount to \$125.00.

WHEREFORE, Plaintiff demands Judgment in its favor and against Defendant, Diana M. Elinich, individually, in the amount of \$17,284.79 with interest at the rate of 29.99% per annum from August 31, 2011, plus attorneys' fees of \$125.00, and costs.

COUNT II – ACCOUNT STATED

21. The averments contained in Paragraph 1-20 are incorporated herein by reference thereto as though herein set forth at length.

22. A consumer credit account was stated in writing by and between Plaintiff, Discover Bank, and Defendant, Diana M. Elinich.

23. Plaintiff has kept accurate running records of all the debits and credits to the account from the time of its inception through the present date.

24. Plaintiff has mailed monthly statements to Defendant at his/her address. The monthly statements accurately stated the previous balance, debits and credits for the prior billing period.

25. Defendant failed to reject or dispute the information contained in said statements.

26. Defendant made payments on the account or retained statements without payment.

27. Defendant's last payment made on the account was made on or about or about March 13, 2011.

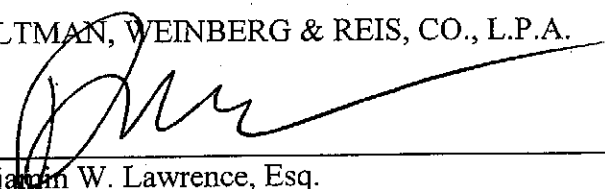
28. Although demanded by Plaintiff from Defendant, neither all nor any part of the balance has been paid.

29. There is now due and owing and unpaid from Defendant to Plaintiff the sum of \$17,284.79 together with interest thereon at the rate of 29.99% per annum from August 31, 2011.



WHEREFORE, Plaintiff demands Judgment in its favor and against Defendant, Diana M. Elinich, individually, in the amount of \$17,284.79 with interest at the rate of 29.99% per annum from August 31, 2011, plus attorneys' fees of \$125.00, and costs.

WELTMAN, WEINBERG & REIS, CO., L.P.A.



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Benjamin W. Lawrence, Esq.

PA ID# 209032

WELTMAN, WEINBERG & REIS CO., L.P.A.

325 Chestnut Street, Suite 501

Philadelphia, PA 19106

215-599-1500

WWR#:09405279

# **EXHIBIT A**



## YOUR DISCOVER® ACCOUNT

### CARDMEMBER AGREEMENT ..... Pages 1-16

The terms and conditions of your Account, including how we calculate Interest Charges, our fees and an Arbitration of Disputes section. *You have the right to reject the arbitration provision with respect to your new Account within 30 days after receiving your Card, as explained in the "Right to Reject Arbitration" section at page 13.*

### BILLING RIGHTS ..... Pages 14-16

Important information about your rights and our responsibilities under the Fair Credit Billing Act.

### DESCRIPTION OF COVERAGE ..... Pages 16-24

The terms and conditions of the Scheduled Air Travel Accident Insurance and the Secondary Rental Car Collision Coverage that is provided at no charge to you when you use your Card to purchase airline tickets or rent an automobile.

### GLOBAL TRAVELER'S HOTLINE ..... Pages 25

The terms and conditions of this free travel assistance benefit.

**CARDMEMBER AGREEMENT**

Please read this Agreement carefully before using your Discover® Card Account. It contains the terms and conditions of your Account, some of which may have changed from earlier materials provided to you. In the event of any differences, this Agreement shall control. We respect your privacy. See the Privacy section on page 10 and our Privacy Policy for additional information. The Arbitration of Disputes section on page 12 includes a waiver of a number of rights, including the right to a jury trial. The Right to Reject Arbitration section on page 13 describes the procedure you must follow if you desire to reject the Arbitration of Disputes section.

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#### DEFINITIONS

"Account" means your Discover Card Account.

"APR" means an annual percentage rate.

"Authorized User" means any person whom you authorize to use your Account or a Card, whether you notify us or not.

"Card" means any one or more Discover Cards issued to you or someone else with your authorization.

"Pricing Schedule" means the document accompanying your Card and listing the APRs that apply to your Account and other important information. The Pricing Schedule is part of this Agreement.

"We," "us" and "our" refer to Discover Bank, the issuer of your Discover Card.

"You," "your" or "yours" refer to, in addition to you, the Cardmember, any other person or persons who are also contractually liable under this Agreement.

#### USING YOUR ACCOUNT

Your Acceptance of this Agreement. The use of your Account or a Card by you or an Authorized User, or your failure to cancel your Account within 30 days after receiving a Card, means you accept this Agreement, including the Arbitration of Disputes section on page 12. You may, however, reject the Arbitration of Disputes section as explained on page 13.

Permitted Uses of Your Account. Your Account may be used for:

- Purchases – to purchase or lease goods or services from participating merchants by presenting your Card or Account number or by using promotional checks, which we may furnish to you, in accordance with such additional terms and conditions as we may offer from time to time.
- Cash Advances – to obtain cash advances from participating automated teller machines, financial institutions or other locations, the purchase of lottery tickets, racetrack wagers, vouchers redeemable for cash or for casino chips, money orders, traveler's checks, savings bonds, foreign

currency and wire transfers, or by means of checks which we may furnish to you, all in accordance with such additional terms and conditions as we may offer from time to time.

- Balance Transfers – to transfer balances from other creditors or to make other transactions by means of balance transfer coupons or checks, in accordance with such additional terms and conditions as we may offer from time to time.

In addition, your Account may be used to guarantee reservations at participating establishments. You will be liable for guaranteed reservations that are not cancelled prior to the time specified by the establishment. Your Account may be used for personal, family, household and charitable purposes.

**Prohibited Uses of Your Account.** Your Account may not be used to obtain loans to purchase, carry or trade in securities, to pay any amount you owe under this Agreement or for any transactions that are unlawful where you reside or where you are physically located when you use the Account to initiate the transaction ("Prohibited Transactions").

**Purchases and Cash Advances in Foreign Currencies.** If you make a purchase or cash advance in a foreign currency, it will be converted to U.S. dollars using either a government-mandated rate, a government-published rate or the interbank exchange rate, depending on the country and currency in which the transaction is made. The rate used will be the rate in effect on the conversion date for the transaction, which may be different than the Transaction Date as shown on your statement. We charge a Foreign Currency Fee for each purchase made in a foreign currency as described in the Foreign Currency Fee section on page 8.

**Cash Advances.** We may periodically offer you promotional rates on cash advances for the time period specified in the offer, subject to the Penalty APR section. The offer may contain a Cash Advance Fee for each cash advance.

**Balance Transfers.** In our discretion, we may periodically offer you the opportunity to make balance transfers from other creditors or to make other transactions to your Account by means of balance transfer coupons or checks. The standard purchase rate applies to balance transfers. However, we may periodically offer you promotional rates on balance transfers for the time period specified in the offer, subject to the Penalty APR section. Each offer will contain an expiration date. If you attempt to transfer balances by means of a check after the expiration date, we will treat the transaction as a cash advance. We will not make balance transfers attempted by means of a coupon after the expiration date. We may charge a Balance Transfer Fee as indicated in the Balance Transfer Fee section.

**Credit Authorizations.** Certain transactions will require our authorization prior to completion. In some cases, you may be asked to provide identification. We have the right not to authorize a transaction for security or other reasons. Also, if our authorization system is not working, we may not be able to authorize a transaction. We will not be liable to you if any of these events happen.

**Authorized Users.** If you want to cancel the authority of a current Authorized User to use your Account or a Card, you must notify us and destroy any Card in that person's possession. You can notify us by telephoning 1-800-DISCOVER (1-800-347-2683), or by writing Discover, PO

Box 30943, Salt Lake City, UT 84130-0943. None of your rights under this Agreement (other than to pay amounts owed) may be exercised by any person not a party to this Agreement acting pursuant to a power of attorney, without our separate written agreement (which we are not obligated to give).

**Unauthorized Use.** Prior to its use, each Card must be signed by the person to whom it is issued. If a Card is lost or stolen, or if you think that someone is using your Account or a Card without your permission, notify us immediately. You can notify us by telephoning 1-800-DISCOVER (1-800-347-2683), or by writing Discover, PO Box 30943, Salt Lake City, UT 84130-0943. You agree to assist us in determining the facts relating to any theft or possible unauthorized use of your Account or a Card and to comply with such procedures as we may require in connection with our investigation.

**Your Credit Lines.** We will advise you of your Account credit line. We may impose a lower line that will apply to cash advances, referred to as the cash advance credit line. We may also impose a lower line that will apply to balance transfers, referred to as the balance transfer credit line. You agree not to allow your unpaid balance, including Interest Charges and fees, to exceed your Account credit line. If you exceed your Account credit line, we may request immediate payment of the amount by which you exceed your Account credit line.

We may increase or decrease your Account credit line, your cash advance credit line or your balance transfer credit line without notice. The credit available for your use may, from time to time, be less than your Account credit line. For purposes of determining your available credit, we reserve the right to postpone for up to 15 business days reducing your unpaid balances by the amount of any payment that we receive. Your available credit will not be increased by the amount of any credit balance.

#### CHANGES TO THIS AGREEMENT

From time to time, we may, to the extent permitted by law, change any term of this Agreement, including, but not limited to, any interest rate, fee or method of computing any balance upon which the interest rate is assessed, or add or delete any term to this Agreement. We will give you notice of the change in the time and manner required by law, which includes 45-days advance written notice in some circumstances. In addition, to the extent required by law, we will offer you the opportunity to reject a change. For example, law requires, with certain exceptions, that we offer you the opportunity to reject an increase in a late fee or the elimination of a grace period prior to the effective date of the change. If you reject a change in accordance with the instructions in the notice provided, we will close your Account and you will no longer be able to use it for further transactions. You can then pay the remaining balance under the unchanged term. We may also change any term of any product, service or benefit offered in connection with your Account. We will notify you as required by law or by the terms of the product, service or benefit.

#### MAKING PAYMENTS

**Promise to Pay.** You agree to pay us in U.S. dollars for all purchases, cash advances and balance transfers including applicable Interest Charges and other charges or fees, incurred by you or anyone you authorize or permit

to use your Account or a Card, even if you do not notify us that others are using your Account or a Card. If you pay us in other than U.S. dollars, we may refuse to accept the payment or charge your Account our cost to convert your payment to U.S. dollars. All checks must be drawn on funds on deposit in the U.S. You may not use a cash advance check, balance transfer check or coupon, or any other promotional check drawn on any Discover Bank credit card account to make payments on your Account. If your Account is a joint Account, each of you agrees to be liable individually and jointly for the entire amount owed on your Account. We can accept late payments or partial payments or checks and money orders marked "payment in full" or with any other restrictive endorsement without losing any of our rights under this Agreement.

**Monthly Billing Statement.** We will send you a billing statement after each monthly billing period in which you have a debit or credit balance, unless we waive our right to do so as permitted by law. The billing statement will show the purchases, cash advances, balance transfers, Interest Charges and other charges or fees and the payments or other credits posted to your Account during the billing period. It will show your New Balance, Payment Due Date and Minimum Payment Due as of the end of the billing period. If your prior month's payment is returned unpaid, your required Minimum Payment Due may be higher than shown on your billing statement. See the Minimum Monthly Payment section on page 5.

**Monthly Payment Options.** You may at any time pay the entire New Balance shown on your billing statement, but each month you must pay at least the Minimum Payment Due as described in the Minimum Monthly Payment section. All payments must be made in accordance with the terms stated on your monthly billing statement, as well as the payment cut-off time stated in this section, and we will credit your Account in accordance with those terms and this section. Payments received in proper form at our processing facility by 5PM local time on any day will be credited as of that day. Payments received in proper form at our processing facility after 5PM local time will be credited as of the next day.

**Automatic Billing Arrangements.** If your Account number and/or Card expiration date changes and our records indicate you have automatic billing established with a merchant, we will attempt to provide your new Account information to that merchant. To ensure uninterrupted billing, we recommend that you verify the merchant has your new Account information. You must contact the merchant directly if you do not wish to continue the automatic billing arrangement.

**How We Apply Payments.** We apply payments and credits at our discretion, including in a manner most favorable or convenient for us. In all cases, we will apply payments and credits in accordance with applicable law. Each billing period, to the extent your payments exceed the Minimum Payment Due shown on your current billing statement, we will apply these excess amounts generally in order of the APR applicable to the balance of each transaction category (as referenced in the INTEREST CHARGES section), from highest to lowest, beginning with the balance subject to the highest APR as of the date we credit your payment. For promotional balances with the same APR, we will apply payments to the promotional balance with the longest remaining duration before promotional balances with shorter remaining durations.

**Minimum Monthly Payment.** The Minimum Payment Due for a billing period will be the greater of:

- the New Balance shown on your billing statement for that billing period if it is less than \$15;
- \$15 if the New Balance is \$15 or more; or
- any past due amount plus the greater of:
  - 2% of the New Balance (excluding current Interest Charges and Late Fees) rounded up to the nearest dollar or
  - current Interest Charges plus Late Fees plus \$15 (not to exceed 3% of the New Balance) rounded up to the nearest dollar.

We may also include some or all the amount by which you exceed your Account credit line. We may subtract certain fees to calculate the Minimum Payment Due. The Minimum Payment Due will never exceed the New Balance.

**Skip-A-Payment Offers.** We may from time to time allow you to not make a Minimum Payment Due and will notify you when this option is available. If you take advantage of this offer and do not make a Minimum Payment Due, Interest Charges and any applicable fees will accrue on your Account in accordance with this Agreement and you must pay the Minimum Payment Due for the following billing periods.

**Credit Balances.** We will refund any credit balance within seven business days from receipt of your written request. If you do not request a refund, we will automatically refund credit balances greater than \$1 that remain in your Account after 6 months.

**Pay-By-Phone.** We may from time to time allow you to make payments by authorizing us over the telephone to transfer or pay funds from a deposit account to your Account. We will not charge you a Pay-By-Phone Fee.

#### INTEREST CHARGES

**How We Calculate Interest Charges – Daily Balance Method (including current transactions):** We figure Interest Charges for each billing period. To do this:

- We calculate your Interest Charges separately for each balance subject to different terms (for example, standard purchases, standard cash advances and each purchase, balance transfer and cash advance balance subject to promotional terms). We refer to these balances as transaction categories.
- We figure the “daily balance” for each transaction category. To get the “daily balance” we take the beginning balance for each day, add any new transactions and fees and any Interest Charges accrued on the previous day’s daily balance. We then subtract any credits and payments and make other adjustments (including those adjustments required in the section titled Paying Interest). In calculating the daily balance for the first day of the billing period, we consider the “previous day’s daily balance” to have been your balance on the last day of your previous billing period. This gives us the daily balance for each transaction category.
- We figure the Interest Charges on your Account by multiplying the daily balance for each transaction category by its daily periodic rate, for each day in the billing period.
- The total Interest Charges for the billing period are the sum of the daily Interest Charges for each transaction category for each day during that billing period.

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When we calculate daily balances, we add a new transaction as of the Transaction Date shown on your billing statement, unless the transaction is posted to your Account after the close of the billing period in which it occurs, in which case the transaction will be added to the daily balance as of the first day of the billing period in which it is posted to your Account. All fees charged to your Account are added to the standard purchase transaction category with the exception of Cash Advance Fees which are added to the applicable cash advance transaction category and Balance Transfer Fees which are added to the applicable balance transfer transaction category.

**Balance Subject to Interest Rate.** Your statement shows a Balance Subject to Interest Rate. It shows this for each transaction category. The Balance Subject to Interest Rate shown on your statement is the average of the daily balances during the billing period.

**Paying Interest.** We begin to impose Interest Charges on all transactions and fees from the Transaction Date shown on your billing statement for the transaction or fee. However, if a transaction or fee is posted to your Account after the close of the billing period in which it occurs, we begin to impose Interest Charges on that transaction or fee from the first day of the billing period in which it is posted to your Account. We begin to impose Interest Charges on Interest Charges from the date they are added to your Account. We continue to impose Interest Charges on all transactions, fees and Interest Charges until you pay the total amount you owe us. Your due date will be at least 25 days after the close of each billing period except that it will be at least 23 days after the close of each billing period that begins in February. If you paid the New Balance on your previous billing statement by the Payment Due Date shown on that billing statement, we will not impose Interest Charges on new purchases, that is purchases first appearing on the current billing statement, or any portion of a new purchase, paid by the Payment Due Date on your current billing statement. We call this the “grace period.” There is no grace period on balance transfers or cash advances. As more fully described in the section titled “How We Apply Payments,” we apply payments in a manner most favorable or convenient for us and, to the extent your payments exceed the Minimum Payment Due shown on your current billing statement, we will apply such excess amounts generally in order of the APR applicable to the balance of each transaction category (as referenced in the INTEREST CHARGES section), from highest to lowest, beginning with the balance subject to the highest APR as of the date we credit your payment. This means that if you do not pay your balance in full each month, then, depending on the balance to which we allocate your payment, you may not be able to get a grace period on new purchases.

**Annual Percentage Rates.** The daily periodic rate and corresponding APR that apply to each transaction category are set forth in your Pricing Schedule. The daily periodic rate is 1/365th of the corresponding APR.

**Variable Interest Rates.** One or more daily periodic rates and corresponding APRs that apply to a transaction category may be variable rates as set forth in your Pricing Schedule or in any special offers you receive from us. Variable APRs are determined by adding a specified number of percentage points to the Prime Rate. This is shown on the Pricing Schedule as “Prime + (percentage points).” For purposes of this Agreement, the Prime Rate is the

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highest rate of interest listed as the "prime rate" in the Money Rates section of *The Wall Street Journal* on the last business day of the month. The Prime Rate is merely a pricing index and does not represent the lowest or best interest rate available to a borrower at any bank at any given time. If you have a variable rate, your APR will increase or decrease when the Prime Rate changes. This change will be effective beginning with the first day of the billing period that begins during the same calendar month as the change in the Prime Rate. An increase in the APR may increase your Minimum Payment Due.

**Penalty APR.** Each time that you do not make the Minimum Payment Due by the Payment Due Date we may, in accordance with applicable law:

- (i) terminate the availability of any promotional APRs on new purchases and balance transfers; and
- (ii) increase your APRs for new purchases and balance transfers to variable Penalty APRs.

Each new variable Penalty APR for a new purchase or balance transfer is determined by adding up to 5 additional percentage points to the otherwise applicable APR and will vary based on any changes in the Prime Rate. (For example, if the promotional purchase rate was 2.99% and the rate for other purchases was 15.99% and you paid late once, the rate for all new purchases could increase up to 20.99% variable and vary thereafter with the Prime Rate.) When we first determine the variable Penalty APRs, we use the Prime Rate effective for the billing period in which you pay late. The variable Penalty APRs are determined in accordance with the Variable Interest Rates section. We will base your Penalty APR on your creditworthiness and other factors such as your current APRs and your Account history. If we increase any of your APRs to a Penalty APR, we will send you a notice, in accordance with applicable law, advising of (i) the date the new Penalty APR will apply (the "Penalty APR Effective Date") and (ii) the new purchases and balance transfers to which it will be applied (note: the new Penalty APR will not apply to any other transactions). New purchases and balance transfers are those purchases and balance transfers which either (i) have a Transaction Date, as shown on your billing statement, of more than fourteen days after we mail or deliver the notice to you, or (ii) were posted to your Account after the current Penalty APR Effective Date. Your Account will not be subject to a Penalty APR for the first twelve billing periods after your Account is first opened.

If your APR for purchases or balance transfers was increased to a Penalty APR, we will, to the extent required by applicable law, periodically review your Account to determine if any of those APRs should be reduced. Any reduced APRs on new and existing balances may be different and may be higher than your previous standard APRs for purchases and/or balance transfers or any promotional rate.

#### FEES

**Cash Advance Fee.** Unless otherwise specified in a cash advance offer, we will charge you a Cash Advance Fee in the amount indicated on your Pricing Schedule. All forms of cash advances, including the use of Discover Card checks, regardless of the purpose for which used, are subject to a Cash Advance Fee.

**Balance Transfer Fee.** Unless otherwise specified in a balance transfer offer, we will charge you a Balance Transfer Fee of 5% of the amount of each new

balance transfer with a minimum Balance Transfer Fee of \$10 and no maximum.

**Foreign Currency Fee.** We will charge you a Foreign Currency Fee of 2% of the U.S. dollar amount of each purchase made in a foreign currency.

**Minimum Interest Charge.** We will charge you a minimum Interest Charge of \$.50 for any billing period in which Interest Charges of less than \$.50 would otherwise be imposed.

**Annual Fee.** If your Pricing Schedule accompanying your Card includes an Annual Fee, we will charge you an Annual Fee in the amount indicated. We will charge you this fee when we open your Account and at the beginning of each anniversary year your Account is open. The Annual Fee is not refundable, except as provided by law.

**Late Fee.** We will charge you a Late Fee if you have failed, as of the Payment Due Date, to make the Minimum Payment Due that was required to be paid for that billing period. The amount of the Late Fee is \$25, except the amount of any subsequent Late Fee assessed during the next six billing periods after a Late Fee is assessed is \$35. The Late Fee will never exceed the Minimum Payment Due that was due immediately prior to the date on which the Late Fee was assessed and will never exceed the amount permitted by law.

**Returned Payment Fee.** We will charge you a Returned Payment Fee any time you pay us with a check or other instrument that is returned unpaid. This fee will also apply if a debit transaction to a deposit account from which you have authorized us in writing, electronically or orally, to deduct all or a part of an amount you owe us under this Agreement is returned unpaid. We will charge you this fee the first time any payment is returned unpaid, even if it is paid upon resubmission. The amount of the fee is \$25, except the amount of any subsequent Returned Payment Fee assessed during the next six billing periods after a Returned Payment Fee is assessed is \$35. The Returned Payment Fee will never exceed the Minimum Payment Due that was due immediately prior to the date on which the payment was returned to us and will never exceed the amount permitted by law.

**Returned Discover Card Check Fee.** We will charge you a Returned Discover Card Check Fee each time we decline to honor a Discover Card cash advance check, balance transfer check, promotional purchase check, or other promotional check. The amount of the fee is \$25, except the amount of any subsequent Returned Discover Card Check Fee assessed during the next six billing periods after a Returned Discover Card Check Fee is assessed is \$35. The Returned Discover Card Check Fee will never exceed the amount of the check and will never exceed the amount permitted by law.

**Research Fee.** We may charge you a Research Fee of \$5 for each copy of a billing statement or sales slip that you request. However, we will not charge a fee if you request copies in connection with a billing error.

#### DEFAULT AND CANCELLATION

**Types of Default.** You are in default if you become insolvent; if you file a bankruptcy petition or have one filed against you; if we have a reasonable belief that you are unable or unwilling to repay your obligations to us; if you are declared incompetent by a court or if a court appoints a guardian for you or a conservator for your assets; if you die; if you fail to comply with the terms of this Agreement, including failing



to make a required payment when due, exceeding your Account credit line or using your Card or Account for a Prohibited transaction; or if you fail to make a required payment when due on any other account you have with us.

**Consequences of Default.** If you are in default, we may declare the entire balance of your Account immediately due and payable without notice. If we refer the collection of your Account to an attorney or employ an attorney to represent us with regard to recovery of money that you owe us, we may charge you reasonable attorneys' fees and court or other collection costs as permitted by law and as actually incurred by us, including fees and costs in connection with any appeal. We may delay enforcing or not enforce any of our rights under this Agreement without losing or waiving any of them.

**Cancellation.** You may cancel your Account by notifying us in writing or by telephone and returning or destroying every Card and unused check that we have provided you. You can notify us by telephoning 1-800-DISCOVER (1-800-347-2683), or by writing Discover, PO Box 30943, Salt Lake City, UT 84130-0943. Of course, you will still be responsible to pay any amount you owe us according to the terms of this Agreement. If your Account is a joint Account, either Cardmember may cancel the Account, but you will both remain responsible to pay any amount owed to us according to the terms of this Agreement. We may cancel or suspend your Account at any time without notice. We may choose not to renew your Account (beyond the expiration date shown on the face of a Card) without notice. You must return any Card or unused checks to us upon request.

#### PRIVACY AND OUR COMMUNICATIONS WITH YOU

**Our Privacy Policy.** We may from time to time review your credit, employment and income records. We respect the privacy of information about you and your Account. Our Privacy Policy includes a summary of the personal information we collect, when it may be shared with others, how we safeguard the confidentiality and security of information and the steps you may take to limit our sharing of such information with others. Please read it carefully as it is part of your Cardmember Agreement.

**Reporting to Credit Reporting Agencies.** As indicated in our Privacy Policy, we may report to credit reporting agencies and other creditors the status and payment history of your Account, including negative credit information. Late payments, missed payments or other defaults on your Account may be reflected in your credit report. We normally report to such credit reporting agencies each month. If you believe that our report of your Account status is inaccurate or incomplete, please write us at the following address: Discover, PO Box 15316, Wilmington, DE 19850-5316. Please include your name, address, home telephone number and Account number.

**Our Communications with You.** You agree that our personnel may listen to or record telephone calls between you and our representatives without additional notice to you, including but not limited to calls we make to collect debts. We may use any medium permitted by law, including but not limited to mail, live telephone calls, automated telephone equipment, prerecorded telephone calls, e-mail, text messages

and calls to your cell phone to contact you about your Account or to offer you products or services that may be of value to you. If you prefer not to be contacted in one or more of these ways, you must either telephone us at 1-800-DISCOVER (1-800-347-2683) or write to us at Discover, PO Box 30961, Salt Lake City, UT 84130-0961.

**Releasing Information About Your Account.** We provide various methods by which you can obtain information about your Account. We will only release such information to you, any Authorized User that our records indicate is an authorized buyer on your Account, and any other person with your prior permission, in addition to as provided in our Privacy Policy or as required by law. Our security measures cannot insure against unauthorized inquiries. You agree that we will not be responsible for the release of information to anyone who, even if without your authorization or permission, has gained possession of a Card or has learned other identifying characteristics about you such as your personal identification number, Account number or social security number.

**Electronic Notices to You.** We may offer you the opportunity to receive certain notices from us electronically rather than through the mail, including monthly billing statements and change of terms notices. The terms and conditions for receiving these electronic communications will be described in the offer.

**Notices - Changes to Your Information.** If you change your e-mail address, mailing address or telephone number you must notify us of your new address or telephone number within 15 days. You can notify us by telephoning 1-800-DISCOVER (1-800-347-2683) or by writing Discover, PO Box 30943, Salt Lake City, UT 84130-0943. If your Account is a joint Account, any notice we mail to an address you have provided for the Account will serve as notice to both Cardmembers.

#### CLAIMS AND DISPUTES

**Merchant Disputes.** We are not responsible for the refusal of anyone to accept or honor a Card or to accept checks that we have provided you. If a merchant fails to provide your purchase to your satisfaction and you request a credit to your Account, we will investigate the dispute. If we resolve the dispute in your favor, we will issue a credit to your Account and you will be deemed to have assigned to us your claim against the merchant and/or any third party for the credited amount. Upon our request, you agree to provide us with written evidence of such assignment.

**Claim Notices.** In the event that you or we have a claim that arises from or relates to your Account, any prior account you had with us, your application, the relationships which result from your Account or the enforceability of the Agreement or any prior agreement, before initiating, joining or participating in any judicial or arbitration proceeding, as either an individual litigant or member of a class ("Proceeding"), the complaining party shall give the other party: (1) a written notice of the claim ("Claim Notice"), at least 15 days before initiating any Proceeding, explaining in reasonable detail the nature of the claim and any supporting facts; and (2) a reasonable good faith opportunity to resolve the claim without the necessity of a Proceeding. This includes any claims involving our parent corporation, subsidiaries, affiliates (including, without limitation, DFS Services LLC), predecessors, successors, assigns, as well as the officers, directors and employees of each of these entities. Any Claim Notice shall be

sent to us at Discover, PO Box 3024, New Albany, OH 43054 (or such other address as we shall subsequently provide to you) (the "Claim Notice Address") or to you at your address appearing in our records or, if you are represented by counsel, to your attorney at your attorney's office.

**Arbitration of Disputes. Agreement to arbitrate.** In the event of any past, present or future claim or dispute (whether based upon contract, tort, statute, common law or equity) between you and us arising from or relating to your Account, any prior account you have had with us, your application, the relationships which result from your Account or the enforceability or scope of this arbitration provision, of the Agreement or of any prior agreement, you or we may elect to resolve the claim or dispute by binding arbitration. IF EITHER YOU OR WE ELECT ARBITRATION, NEITHER YOU NOR WE SHALL HAVE THE RIGHT TO LITIGATE THAT CLAIM IN COURT OR TO HAVE A JURY TRIAL ON THAT CLAIM. PRE-HEARING DISCOVERY RIGHTS AND POST-HEARING APPEAL RIGHTS WILL BE LIMITED. NEITHER YOU NOR WE SHALL BE ENTITLED TO JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION BY OR AGAINST OTHER CARDMEMBERS WITH RESPECT TO OTHER ACCOUNTS, OR LITIGATE IN COURT OR ARBITRATE ANY CLAIMS AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY ("Class Action Waiver").

Notwithstanding anything else to the contrary in this arbitration provision, only a court, and not an arbitrator, shall determine the validity and effect of the Class Action Waiver. Even if all parties have opted to litigate a claim in court, you or we may elect arbitration with respect to any claim made by a new party or any new claims later asserted in that lawsuit and nothing undertaken therein shall constitute a waiver of any rights under this arbitration provision. We will not invoke our right to arbitrate an individual claim you bring in small claims court or your state's equivalent court, if any, unless such action is transferred, removed or appealed to a different court.

**Governing Law and Rules.** Your Account involves interstate commerce and this provision shall be governed by the Federal Arbitration Act (FAA). The arbitration shall be conducted, at the option of whoever files the arbitration claim, by either the American Arbitration Association (AAA) or JAMS in accordance with their procedures in effect when the claim is filed. For a copy of their procedures, to file a claim or for other information, contact AAA at 335 Madison Ave., Floor 10, New York, NY 10017-5905, www.adr.org (phone 1-800-778-7879) or JAMS at 620 Eighth Ave., Floor 34, New York, NY 10018, www.jamsadr.com (phone 1-800-352-5267). No other arbitration forum will be permitted, except as agreed to pursuant to either the Changes to this Agreement section or a writing signed by both parties. If neither AAA nor JAMS is able or willing to serve as the arbitration administrator and we and you are unable to agree on a replacement administrator or arbitrator, then a court of competent jurisdiction will appoint an administrator or arbitrator or arbitrators (in the case of an appeal to a panel of three arbitrators as described below). Unless consented to by all parties, no arbitration may be administered by any administrator or arbitrator that has any formal or informal policy, rule or procedure that is inconsistent with or purports to override the terms of this section. If we elect to resolve a claim or dispute by binding arbitration and the arbitrator issues an award in your favor on a claim or claims with respect to which you would not otherwise be

entitled to recover your arbitration filing, administrative and hearing fees, reasonable attorneys' fees and/or other arbitration costs, we will be responsible for paying or reimbursing such costs and fees if awarded by the arbitrator.

**Fees and Costs.** At your written request, we will advance any arbitration filing, administrative and hearing fees which you would be required to pay to pursue a claim or dispute as a result of our electing to arbitrate that claim or dispute. Send requests to Discover, PO Box 30421, Salt Lake City, UT 84130-0421. The arbitrator will decide who will ultimately be responsible for paying those fees. You will only be responsible for paying or reimbursing our arbitration filing, administrative or hearing fees to the extent you would have been responsible for paying "attorneys' fees and court or other collection costs" had the action proceeded in court. In no event will you be required to pay any fees or costs incurred by us in connection with an arbitration proceeding where such a payment or reimbursement is prohibited by applicable law.

**Hearings and Decisions.** Any arbitration hearing will take place in the federal judicial district where you reside. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA and applicable statutes of limitations and shall honor claims of privilege recognized at law and shall be authorized to award all remedies permitted by the substantive laws that would apply if the action were pending in court. If requested by any party, the arbitrator shall write an opinion containing the reasons for the award. The arbitrator's decision will be final and binding except for any appeal rights under the FAA and except that if the amount in controversy exceeds \$100,000, any party may appeal the award within 30 days to a three-arbitrator panel, which shall review the award de novo. Unless applicable law provides otherwise, the appealing party will pay the cost of the appeal, regardless of its outcome. However, we will consider in good faith any reasonable request for us to bear the fees charged by the arbitration administrator and the arbitrators in connection with the appeal. Judgment upon any award by the arbitrator may be enforced in any court having jurisdiction.

**Other Beneficiaries of this Provision.** Our rights and obligations under this arbitration provision shall inure to the benefit of and be binding upon our parent corporations, subsidiaries, affiliates (including, without limitation, DFS Services LLC), predecessors, successors, assigns, as well as the officers, directors and employees of each of these entities, and will also inure to the benefit of any third party named as a co-defendant with us or with any of the foregoing in a claim which is subject to this arbitration provision. Your rights and obligations under this arbitration provision shall inure to the benefit of and be binding upon all persons contractually liable under this Agreement and all Authorized Users of the Account.

**Survival of this Provision.** This arbitration provision shall survive termination of your Account as well as voluntary payment in full by you, any legal proceedings by us to collect a debt owed by you, any bankruptcy by you and any sale by us of your Account.

**Right to Reject Arbitration.** You may reject the Arbitration of Disputes section by providing us a notice of rejection within 30 days after receiving a Card, at the following address: Discover, PO Box 30938, Salt Lake City, UT 84130-0938. If you were previously subject to arbitration with respect

to any account with us, this right to reject arbitration will not apply to you. Your rejection notice must include your name, address, telephone number, Account number and signature and must not be sent with any other correspondence. Calling us to indicate that you reject the Arbitration of Disputes section or sending a rejection notice in a manner or format that does not comply with all applicable requirements is insufficient notice. In order to process your notice, we require that the notice be provided by you directly and not through a third party. Rejection of arbitration will not affect your other rights or responsibilities under this Agreement or your obligation to arbitrate disputes under any other account as to which you and we have agreed to arbitrate disputes. If you do not send a rejection notice, you will be obligated by the Arbitration of Disputes section with respect to this and any prior account you have had with us, even if you have previously sent a rejection notice with respect to that prior account.

#### LEGAL INTERPRETATION OF THIS AGREEMENT

**Severability.** If any part of this Agreement becomes unenforceable, it will not make any other part unenforceable, except that if the Class Action Waiver set forth above in the Arbitration of Disputes section is invalidated in any proceeding in which you and we are involved, then the Arbitration of Disputes section will be void with respect to that proceeding.

**Compliance with Interest Rate Limitations.** We intend that this Agreement will comply with applicable interest rate limitations. You will not be required to pay Interest Charges or other charges at a rate that is greater than the maximum amount permitted by law. If it is ever finally determined that, but for this section, the Interest Charges or other charges under this Agreement would exceed the maximum lawful amount, the Interest Charges and other charges will be reduced to the maximum lawful amount. Any excess amount that you have already paid will be used to reduce the outstanding balance of your Account or will be refunded to you by means of a check in our discretion.

**Governing Law.** This Agreement and any claim or dispute arising out of this Agreement will be governed by applicable federal law and, to the extent state law applies, Delaware law.

#### ASSIGNMENT OF ACCOUNT

We may sell, assign or transfer your Account or any portion thereof without notice to you. You may not sell, assign or transfer your Account without first obtaining our prior written consent.

#### Your Billing Rights:

##### Keep This Document For Future Use

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

##### What To Do If You Find A Mistake On Your Statement

If you think there is an error on your statement, write to us at:

Discover  
PO Box 30421  
Salt Lake City, UT 84130-0421.

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In your letter, give us the following information:

- **Account information:** Your name and account number.
- **Dollar amount:** The dollar amount of the suspected error.
- **Description of problem:** If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

##### What Will Happen After We Receive Your Letter

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- **If we made a mistake:** You will not have to pay the amount in question or any interest or other fees related to that amount.
- **If we do not believe there was a mistake:** You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

##### Your Rights If You Are Dissatisfied With Your Credit Card Purchases

If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase.

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To use this right, all of the following must be true:

1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
2. You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
3. You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at:

Discover  
PO Box 30945  
Salt Lake City, UT 84130-0945

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.

#### DESCRIPTION OF COVERAGE

##### SCHEDULED AIR TRAVEL ACCIDENT INSURANCE

Discover® Cardmembers are provided with \$500,000 Scheduled Air Travel Accident Insurance.\* You, your Spouse, Domestic Partner or eligible Dependent Children for whom a ticket was purchased on your Card (as defined below) will be automatically insured against Accidental Loss of Life arising from and occurring on a Covered Trip while you, your Spouse, Domestic Partner or eligible Dependent Children for whom a ticket was purchased on your Card are riding as a passenger in or entering, exiting or being struck by a Scheduled Aircraft or a conveyance operated by a military transport service or riding as a passenger in or entering or exiting any conveyance licensed to carry the public for a fee and while traveling directly to or from the airport immediately preceding the departure of a Scheduled Aircraft on which the Insured Person has purchased passage and immediately following the arrival of a Scheduled Aircraft on which the Insured Person was a passenger.

\*Coverage is underwritten by Federal Insurance Company, a member insurer of the Chubb Group of Insurance Companies. Certain limitations and exclusions apply.

##### PLAN FEATURES

**THE BENEFITS:** The full Benefit Amount (\$500,000) is payable for Accidental Loss of Life. The Loss must occur within one year of the Accident.

**MAXIMUM LIMIT OF INSURANCE:** If more than one Insured Person suffers a Loss in the same Accident, the Company will not pay more than the maximum limit of insurance (\$20,000,000) per Accident. If an Accident results in Benefit Amounts becoming payable, which when totaled, exceed the applicable limit of insurance shown above, the

maximum limit of insurance will be divided proportionally among the Insured Persons, based on each applicable Benefit Amount. In the event of multiple Accidental deaths per Account arising from any one Accident, the Company's liability for all such Losses will be limited to a maximum limit of insurance equal to two times the applicable Benefit Amount for Loss of Life. Benefits will be proportionately divided among the Insured Persons up to the maximum limit of insurance.

##### DEFINITIONS:

**Accident or Accidental** means a sudden, unforeseen and unexpected event happening by chance, and includes unavoidable exposure to elements arising from a covered Hazard.

**Accidental Bodily Injury(ies)** means bodily injury which is Accidental, is the direct source of a Loss, is independent of disease, illness or other cause and occurs while this policy is in force.

**Account** means a Card account.

**Benefit Amount** means the Loss amount at the time the entire cost of the passenger fare is charged to an Account.

**Card** means the Discover Card.

**Cardmember** means the holder of the Card whose name appears on the credit card.

**Company** means the Federal Insurance Company.

**Covered Trip** means travel on a Scheduled Aircraft when the entire cost of the passenger fare for such transportation, less redeemable certificates, vouchers or coupons, has been charged to the Insured Person's Account.

**Dependent Child or Children** means those children, including adopted children and those children placed for adoption, who are primarily dependent upon the Insured Person for maintenance and support and who are: (1) under the age of 19 and reside with the Insured Person; (2) beyond the age of 19, permanently mentally or physically challenged and incapable of self support; or (3) under the age of 25 and classified as full-time students at an institution of higher learning.

**Domestic Partner** means a person who: (1) is at least 18 years of age and competent to enter into a contract; (2) is not related to the Insured Person by blood; (3) has exclusively lived with the Insured Person for at least one year prior to the date of enrollment; (4) is not legally married or separated; and (5) as of the date of enrollment, has with the Insured Person at least two of the following financial arrangements: (a) a joint mortgage or lease; (b) a joint bank account; (c) joint title to or ownership of a motor vehicle or status as a joint lessee on a motor vehicle lease; or (d) a joint credit card account with a financial institution. Neither the Insured Person nor the Domestic Partner can be married to, nor in a civil union with, anyone else.

**Hazard** means the covered circumstances for which this insurance is provided as stated in Section III of the Declarations, Hazards, and described in the Hazards form, as described on page 1 of this Description of Coverage.

**Insured Person** means all Cardmembers, their spouses, Domestic Partners and Dependent Children, as well as authorized users of the Account.

**Loss** means the Loss of Life.

**Loss of Life** means death, including clinical death determined by the local governing medical authorities.

**Policyholder** means DFS Services LLC, the entity responsible for the payment of premium.

**Scheduled Aircraft** means an aircraft owned and/or operated by a Scheduled Airline.

**Scheduled Airline** means an airline which is either of United States registry and certified by the United States government to carry passengers on a regularly scheduled basis or of foreign register and approved by the United States government and the appropriate foreign authority.

**War** means hostilities following a declaration of War by a government authority. If there is no declaration of War, then (1) armed, open and continuous hostilities between two countries or (2) armed, open and continuous hostilities between two factions, each in control of territory, or claiming jurisdiction over the site of the area of hostility.

**DISAPPEARANCE BENEFITS:** If the Insured Person has not been found within one year of the disappearance, stranding, sinking, wrecking or breakdown of any Scheduled Aircraft or conveyance in which the Insured Person was covered as an occupant, it will be assumed, subject to all other terms of the policy, that the Insured Person has suffered Loss of Life covered under this policy.

**EXPOSURE BENEFITS:** Accident includes unavoidable exposure to elements arising from a covered Hazard.

**ELIGIBILITY:** This insurance plan is provided to Insured Persons automatically when the entire cost of the passenger fare(s) on a Scheduled Airline is charged to the Cardmember's Account while the insurance is effective. It is not necessary for you to notify the Policyholder or the Company when Scheduled Airline tickets are purchased.

**EFFECTIVE DATES:** Your insurance under this insurance plan is effective on the later of: 1) April 1, 2007; or 2) the date you become an eligible Cardmember. Your insurance coverage under this insurance plan will cease on the earlier of: (1) the date the insurance coverage is terminated; or (2) the date you cease to be an eligible Cardmember.

**COST:** This insurance plan is provided at no additional cost to eligible Insured Persons for Covered Trips. Policyholder pays the full cost of the insurance.

**THE BENEFICIARY:** The Loss of Life benefit will be paid to the beneficiary designated by you. If no such designation has been made, that benefit will be paid to the first surviving beneficiary in the following order: a) your spouse; b) your children; c) your parents d) your brothers and sisters, e) your estate. All other indemnities will be paid to you. If you wish to change your beneficiary, you may request a beneficiary designation form by writing to the plan administrator at: The Direct Marketing Group, Inc., 13265 Bedford Avenue, Omaha, NE 68164 or at [Beneficiaryrequest@TheDirectMG.com](mailto:Beneficiaryrequest@TheDirectMG.com).

**EXCLUSIONS:** This insurance plan does not cover Loss resulting from: (1) an Accident occurring while an Insured Person is in, entering, or exiting any aircraft owned, leased or operated by this Policyholder or any

aircraft owned, leased or operated by an employee of the Policyholder on behalf of the Policyholder (this exclusion does not apply to aircraft chartered with pilot or crew on one time charter basis), (2) an accident while an Insured Person is in, entering, or exiting any aircraft while acting or training as a pilot or crew member (this exclusion does not apply to passengers who temporarily perform pilot or crew functions in a life threatening emergency); (3) emotional trauma, mental or physical illness, disease, pregnancy, childbirth or miscarriage, bacterial or viral infection, or bodily malfunctions (except bacterial infection caused by an Accident or from Accidental consumption of a substance contaminated by bacteria); (4) suicide, attempted suicide or Loss that is intentionally self-inflicted; or (5) declared or undeclared War.

**CLAIM NOTICE:** Written claim notice must be given to the Company within 90 days after the occurrence of any Loss covered by this policy or as soon as reasonably possible. Failure to give notice within 90 days will not invalidate or reduce any otherwise valid claim if notice is given as soon as reasonably possible.

**CLAIM FORMS:** When the Company receives notice of a claim, the Company will send you forms for giving proof of Loss to us within 15 days. If you do not receive the forms, you should send the Company a written description of the Loss.

**CLAIM PROOF OF LOSS:** Complete proof of Loss must be given to Company within 90 days after the date of Loss, or as soon as reasonably possible. Failure to give complete proof of Loss within these time frames will not invalidate any otherwise valid claim if notice is given as soon as reasonably possible and in no event later than one year after the deadline to submit complete proof of Loss.

**CLAIM PAYMENT:** The Company will pay you or your beneficiary the applicable Benefit Amount within 60 days after complete proof of Loss is received and if you, the Policyholder and/or the beneficiary have complied with all the terms of the policy.

**ARBITRATION:** In the event of a dispute under this policy, either the Company or the Insured Person may make a written demand for arbitration. In that case, the Company and the Insured Person will each select an arbitrator. The two arbitrators will select a third. If they cannot agree within 15 days, either the Company or the Insured Person may request that the choice of arbitrator be submitted to the American Arbitration Association. The arbitration will be held in the state of the Insured Person's principal residence.

**IF YOU HAVE ANY CLAIM RELATED QUESTIONS, PLEASE CALL THE CLAIMS SERVICE CENTER AT 1-800-CLAIMS-0 (1-800-252-4670).**

You can also go to the Company Web site ([www.chubb.com](http://www.chubb.com)), click on Report a Loss, select Accident, Benefits and Life claims, select the appropriate form, print out the claim form, fill out and mail. You can file a claim by mail or fax.

**Mailing Address:** CHUBB GROUP OF INSURANCE COMPANIES  
CLAIMS SERVICE CENTER  
600 INDEPENDENCE PARKWAY  
PO BOX 4700  
CHESAPEAKE, VA 23327-4700  
**Fax Number:** 1-800-300-2538

As a handy reference guide, please read this and keep it in a safe place with your other insurance documents. This description of coverage is not a contract of insurance but is a summary of the principal provisions of the insurance while in effect. Complete policy provisions are contained in the Master Policy, which can be obtained from the Policyholder:

Policy #9906-18-06

Policy Underwritten By  
Federal Insurance Company  
a member insurer of the  
Chubb Group of Insurance Companies  
15 Mountain View Road, PO Box 1615  
Warren, NJ 07061-1651

Plan Administrator  
The Direct Marketing Group, Inc.  
13265 Bedford Avenue  
Omaha, NE 68164

## DESCRIPTION OF COVERAGE

### SECONDARY RENTAL CAR COLLISION COVERAGE

Discover® Cardmembers can benefit from the security and safety offered through Excess Collision Damage Waiver. If you rent a vehicle for 31 consecutive days or less (or 45 days under certain circumstances described below) with your Card (as defined below), you may be eligible for benefits under this coverage. Excess Collision Damage Waiver is an insurance program, underwritten by Federal Insurance Company Policy #9906-17-63 (the "Policy").

#### DEFINITIONS:

Account means a Card account.

Actual Cash Value means the cost to repair or replace the Rented Automobile at the time of loss, less depreciation.

Cardmember means the holder of the Card whose name appears on the credit card.

Card means the Discover Card.

Collision Damage means the direct and accidental damage to a Rented Automobile caused by upset or collision with another object. Collision Damage does not include loss caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion.

Company means the Federal Insurance Company.

Insured means Cardmembers and authorized users of the Account.

Policyholder means DFS Services LLC, the entity responsible for the payment of premium.

Rental Agency means a commercial automobile rental company licensed under the laws of the applicable jurisdiction.

Rented Automobile means a four-wheeled private passenger type motor vehicle or a minivan manufactured and designed to transport a maximum of seven passengers and used exclusively to carry passengers. A Rented Automobile must be designed for travel on public roads and rented from Rental Agency.

#### TO GET COVERAGE:

- The Collision Damage Waiver Coverage is provided to you, as an Insured, automatically when the entire rental fee for the Rented Automobile is

charged or debited to your Account. It is not necessary for you to notify the Company at the time the rental fee is charged or debited to your Account.

- You must decline the Loss/Damage Waiver offered by the vehicle Rental Agency.
- You must rent the vehicle in your own name and sign the vehicle rental agreement/contract.
- The coverage period will not exceed 31 consecutive days, or 45 consecutive days if the Insured is an employee of an organization which has provided a Card to the Insured for business use.

#### THE KIND OF COVERAGE YOU RECEIVE:

In consideration of the premium paid by the Policyholder as required, and subject to all the terms of the Policy, the Company agrees to reimburse on an Actual Cash Value basis either the Insured or the Rental Agency for repair or replacement of the Rented Automobile as a result of Collision Damage to the Rented Automobile. The Company's liability will be for a maximum reimbursement of \$25,000. In no event will the Company be liable beyond the amounts actually paid by the Insured or the Rental Agency.

- If you or an Insured's primary vehicle insurance or other coverage has made payments for a covered loss, Excess Collision Damage Waiver will cover your deductible and any other eligible amounts not covered by other insurance.
- This coverage is not all-inclusive, which means it does not cover such things as personal injury or personal liability. It does not cover you for any damages to other vehicles or property. It does not cover you for any injury to any party.

#### WHO IS COVERED:

- Discover Cardmembers

#### EXCLUDED RENTAL VEHICLES:

Off-road, antique or limited edition motor vehicles; trucks; recreational vehicles, campers, pickup trucks, and mini-buses; limited edition motor vehicles or high value, exotic, high performance or collector type. High value motor vehicles are motor vehicles whose replacement value exceeds \$50,000, and antique motor vehicles are defined as any vehicle over 25 years old, or any vehicle which has not been manufactured for 10 years or more.

#### WHERE YOU ARE COVERED:

- Coverage applies to vehicles rented anywhere in the world.
- Coverage is not available where prohibited by law.

#### WHAT IS NOT COVERED:

Coverage does not apply to loss resulting from the following:

- Any dishonest, fraudulent or criminal act of the Insured.
- Forgery by the Insured.
- Loss due to war or confiscation by authorities.
- Loss due to nuclear reaction or radioactive contamination.
- The Insured being intoxicated, as defined by the laws of the jurisdiction where the loss occurred, or under the influence of any narcotic unless prescribed by a physician.

- Use of the Rented Automobile to carry passengers and property for hire.
- Use of the Rented Automobile by a person other than the one authorized to operate the Rented Automobile by the terms of the Rental Agreement.
- Loss of use of the Rented Automobile.
- Intentional damage to the Rented Automobile by the Insured.
- Damage which is due and confined to wear and tear, freezing, mechanical or electrical breakdown or failure.
- Damage to tires unless the loss is coincident with a covered loss.
- Use of the Rented Automobile in tests, races or contests.
- The Rented Automobile being operated or located in any territory prohibited by the terms of the Rental Agreement.

#### FOR INSUREDS WHO ARE NEW YORK STATE RESIDENTS:

To the extent that this plan provides insurance against damage to a rented motor vehicle, the following terms and conditions apply: (1) the period of insurance coverage will not exceed 31 consecutive days, or 45 consecutive days if the Insured is an employee of an organization which has provided the Card to the Insured for business use; and (2) the insurance provided by this plan will be excess over any other valid and collectible insurance covering the Rented Automobile. However, the insurance provided under this plan may be primary if specifically provided for under the terms of this plan and if the following criteria is met: (a) the Rented Automobile is rented for use outside the United States, its territories and possessions; (b) the Insured is an employee of an organization which has provided the Card to the Insured for business use; and (c) the Rented Automobile is rented without a driver.

#### HOW TO FILE A CLAIM UNDER EXCESS COLLISION DAMAGE WAIVER:

In the event of a claim, written or verbal notice must be provided as soon as reasonably possible.

**IF YOU HAVE ANY CLAIM RELATED QUESTIONS, PLEASE CALL THE CLAIMS SERVICE CENTER AT 1-800-CLAIMS-0 (1-800-252-4670).**

You can also go to the Company Web site ([www.chubb.com](http://www.chubb.com)), click on Report a Loss, select Accident, Benefits and Life claims, select the appropriate form, print out the claim form, fill out and mail. You can file a claim by mail or fax.

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#### CLAIM PROCEDURE:

The Insured must send the Company written notice of a claim, including the Insured's name and Policy number, within 90 days after a covered loss occurs. If notice cannot be given within that time, it must be given as soon as reasonably possible. To file a sworn Proof of Loss, the Insured must send the following information to the Company or its authorized representative:

- A copy of the Account statement showing the automobile rental transaction.

- A copy of the automobile rental agreement.
- A copy of the police report.
- A copy of the initial claim report submitted to the automobile Rental Agency.
- A copy of the paid claim presented by the automobile Rental Agency for the Collision Damage for which the Insured is responsible.
- Proof of submission of the loss to, and the results of any settlement or denial by the applicable insurance carrier(s).
- If no other insurance is applicable, a notarized statement from the Insured to that effect.

Reminder: Please refer to the Insurance Disclosures section.

#### INSURANCE DISCLOSURES

As a handy reference guide, please read this document and keep it in a safe place with your other insurance documents. This Summary of Coverage is not a contract of insurance but is simply an informative statement to eligible Insureds of the principal provisions of the insurance while in effect. Complete provisions pertaining to this plan of insurance are contained in the master policy on file with DFS Services LLC, herein referred to as the Policyholder. If a statement in this Summary of Coverage and any provision in the policy differ, the policy will govern.

Policy Underwritten By Federal Insurance Company ("Company") a member of the Chubb Group of Insurance Companies 15 Mountain View Road, PO Box 1615 Warren, NJ 07061-1651	Plan Administrator The Direct Marketing Group, Inc. 13265 Bedford Avenue Omaha, NE 68164
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Master Policy Number: 9906-17-63

**Effective date of benefits:** Effective April 1, 2007, this guide replaces all prior disclosures, program descriptions, advertising, and/or brochures by any party. Policyholder and Company reserve the right to change the benefits and features of these programs at any time.

**Cancellation:** Policyholder can cancel these benefits at any time or choose not to renew the insurance coverage for all authorized Cardmembers. If Policyholder does cancel these benefits, you will be notified at least 60 days in advance. If the Company terminates, cancels, or chooses not to renew the coverage to Policyholder, you will be notified as soon as is practicable. Insurance benefits will still apply for any benefits you were eligible for prior to the date of such terminations, cancellation, or non-renewal, subject to the terms and conditions of coverage.

**Benefits to you:** These benefits apply only to Cardmembers whose cards are issued by U.S. financial institutions. The United States is defined as the 50 United States, the District of Columbia, American Samoa, Puerto Rico, Guam and the U.S. Virgin Islands. No person or entity other than the Cardmember shall have any legal or equitable right, remedy, or claim for insurance proceeds and/or damages under or arising out of this coverage. These benefits do not apply if your Card privileges have been cancelled. However, insurance benefits will still apply for any benefit you

were eligible for prior to the date that your Account is suspended or cancelled subject to the terms and conditions of coverage of your Cardmember Agreement.

**Transfer of rights or benefits:** No rights or benefits provided under these insurance benefits may be assigned without the prior written consent of the Company.

**Misrepresentation and Fraud:** Coverage of the Insured will be void if, at any time, the Insured has concealed or misrepresented any material fact or circumstance concerning this coverage or the subject thereof or the interest of the Insured herein, or in case of any fraud or false swearing by the Insured relating thereto.

Coverage for an Insured will be void if, whether before or after a loss, the Policyholder or its subscribing organization(s) has concealed or misrepresented any material fact or circumstance concerning this coverage or the subject thereof or the interest of the Insured therein, or in case of any fraud or false swearing by the Policyholder or its subscribing organization(s) relating hereto.

**Addition of New Insureds:** All eligible persons will be automatically insured under this Policy.

**Examination Under Oath:** It is a condition of this insurance that the Insured and the Policyholder, as often as may be reasonably required by the Company, will submit, and within its power cause others to submit, to examinations under oath and will produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals are lost, at such reasonable time and place as may be designated by the Company or its representative, and will permit extracts and copies thereof to be made. No such examination under oath, examination of documents or any other act of the Company, its employees or representatives in connection with the investigation of any loss or claim will be deemed a waiver of any defense and such acts shall be deemed to have been made or done without prejudice to the Company's liability.

**No Benefit to Others:** This coverage will in no way inure directly or indirectly to the benefit of any insurer, person or organization or other bailee.

**Subrogation:** It is a condition of this insurance that if the Company pays the Insured for a loss, it will require the Insured to assign and transfer any claim or right of action against any individual, firm or corporation for such loss to the Company or subrogate or hold in trust all such rights to the extent of the amount paid. The Insured will agree to take action as requested by the Company to enforce such rights. Upon payment by the Company to the Insured, the Insured agrees to direct enforcement of such rights as reasonably requested by the Company and to return to the Company any recovery to the extent payment of loss has been made by the Company.

**Arbitration:** In the event of a dispute under this policy, either the Company or the Insured may make a written demand for arbitration. In that case, the Company and the Insured will each select an arbitrator. The two arbitrators will select a third. If they cannot agree within 15 days, either the Company or the Insured may request that the choice of arbitrator be submitted to the American Arbitration Association. The arbitration will be held in the state of the Insured's principal residence.

#### GLOBAL TRAVELER'S HOTLINE TERMS AND CONDITIONS

The Global Traveler's Hotline provides Cardmembers and their families a wide range of free travel assistance benefits. It is operated by AXA Assistance USA, Inc. Visit [Discovercard.com/travel](http://Discovercard.com/travel) to learn more.

**Eligibility.** You must be a Cardmember whose Account is in good standing, the Cardmember's spouse or dependent child traveling with the Cardmember or an Authorized User of an Account in good standing.

**Third-Party Charges.** Global Traveler's Hotline is not insurance, so you will be responsible for all third-party fees and expenses for services requested, such as professional or medical fees.

**Availability of Services.** Certain services may not be available in all areas. Call us at 1-800-DISCOVER (1-800-347-2683) for assistance or if you have questions about a specific destination. Outside the U.S., call us collect at 1-801-902-3100. While AXA Assistance will make every reasonable effort to provide the services, neither AXA Assistance nor Discover Bank or our respective affiliates will be liable if a service is not provided or for any services that are provided by third parties. The services and these terms and conditions are subject to change without notice.